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COUNTRY COOPERATION FRAMEWORKS AND RELATED MATTERS

FIRST COUNTRY COOPERATION FRAMEWORK FOR ERITREA, 1997-1999

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INTRODUCTION

1. The first country cooperation framework (CCF) for Eritrea is the result of intensive consultations between the Government and UNDP as well as with United Nations specialized agencies, particularly those of the Joint Consultative Group on Policy (JCGP), and other development partners. The CCF sets out how UNDP can best support the efforts of the Government during the period 1997 to 1999 in formulating social and economic development policies and strategies that facilitate and promote participation by every citizen in programme activities. UNDP cooperation in the country to date has consisted of two programmes: an emergency programme that assisted the new Government in the Rehabilitation and Reconstruction Programme for Eritrea (1992-1993) and the Bridging Programme (1994-1996).

2. The most important challenges in Eritrea are to enhance human resources development and institution-building for: (a) poverty eradication and creation of sustainable livelihoods; (b) governance and decentralization; (c) natural resources and environmental management; and (d) promotion of the role of women in development. These challenges are more pronounced in the rural areas of Eritrea. The CCF draws on the lessons learned from past United Nations Development Programme emergency and bridging programmes as well as from the implementation of programmes by Eritrea's development partners. The proposed operationalization of the CCF is directly linked to the decentralization and rehabilitation/reconstruction programmes of the Government. This creates an enabling environment for focusing on the thematic areas of sustainable human development (SHD) but within the framework of the priorities of the Government for institutional and human resources capacity-building.

I. DEVELOPMENT SITUATION FROM A SUSTAINABLE HUMAN DEVELOPMENT PERSPECTIVE

3. Since the attainment of independence in 1991, the Government has embarked on a development path based on self-reliance with an outward looking strategy. Much of the country's effort has, during the past five years, been geared towards: (a) the reintegration of returnees, refugees and demobilized soldiers; (b) the rehabilitation and reconstruction of the social and physical infrastructure; (c) the establishment of government machinery and national institutions; (d) the drafting of a new constitution; and (e) the formulation of new policies and the review of various strategies and scenarios for sectoral plans of action that will pave the way for the building of the national capacity necessary for sustainable development and growth. The strategy enables the Government to pursue a policy of people-centred development based on social justice with equal emphasis on the formation of social and physical capital, in harmony with SHD principles.

4. While reliable economic data are not readily available, particularly on gross national product and gross domestic product, subsistence agriculture continues to be the predominant activity in the rural areas, where production is adversely affected by the arid and semi-arid environment and sub-optimal agricultural practices. Nationally, the production of goods and services is at

a very low level and the country faces a high level of food insecurity. Non-agricultural employment-generating activities are scarce in the rural areas since agro-industries for the processing of agricultural raw materials are limited.

5. The combination of recurrent drought and land clearing for agricultural purposes and the cutting of trees for construction and fuel have adversely affected the environment as well as severely depleting land, water, and forestry resources. A high population growth rate (3 per cent) has also exerted pressure on agricultural production and exacerbated the food shortage in Eritrea.

6. A recent study published on 13 June 1996 by the World Bank entitled "Eritrea: Poverty Assessment" (15595-ER) shows that out of an estimated population of 3.5 million, 80 per cent live in the mostly drought-prone rural areas, deriving their livelihood from crop cultivation, livestock and related trade activities. Preliminary results of a UNDP/Government survey on identification of the most vulnerable groups in society confirm that the rural population, particularly those living in the lowlands and depending on rain-fed agriculture suffer from recurrent drought and are considered to be the most vulnerable group.

7. It is estimated that only 8 per cent of the population have access to safe drinking water and less than 1 per cent of the rural population and about 44 per cent of the urban population have access to sanitation services. About 25 per cent of the population have access to immunization. Child mortality rate is about 203 per 1,000 live births, reflecting the poor nutritional and health status of the population. About 75 per cent of the estimated 183 health facilities in the country are located in the urban areas. The adult illiteracy rate is 80 per cent for males and 85 per cent for females. In order to narrow the regional disparity in access to primary health care and other basic social services and in the development of physical and social infrastructure, the recent decentralization policy offers a great opportunity to address the conditions of poverty portrayed by these indicators. The challenge is how to design strategies that will ensure that the victims of poverty take the lead in solving the problems faced and what supportive role the Government, development partners, and other supporters can and should play.

8. In addition, the demand for basic shelter, in both the rural and urban areas, is much higher than the Government can fulfil. Even where they exist, basic infrastructures are in very poor condition. With the support of the Government and its development partners, community participation provides enormous opportunities not only for the provision of physical infrastructures but for development on a sustainable basis. Since the formal sector can attract only a small proportion of the unemployed, the rural and urban poor depend for their income on casual labour. The uncertainty associated with such employment and the lack of productive assets make it extremely difficult for the poor to secure a subsistence income on a sustainable basis.

9. Women's participation in the struggle for independence and in the current political life of the country has brought gender issues into the main agenda of national development issues. Various surveys have shown that about 47 per cent of households in Eritrea are headed by women and yet only 15-20 per cent are

literate. Socio-cultural factors also continue to affect the status of women in the society in general and in the economic life of the country in particular. The major challenge in this regard are how to capitalize on the role played by women in the liberation struggle and in the current development process of the country and how to devise strategies for mainstreaming women into social and economic activities.

II. RESULTS AND LESSONS LEARNED

10. Government experience with UNDP dates from March 1992, when a Liaison Office was established in Asmara, with an initial allocation of $6 million from the indicative planning figure (IPF) for Ethiopia for the period 1992-1993 to meet the immediate emergency needs of the Government in the areas of capacity-building and institutional-strengthening in the aftermath of the war. The emergency phase was followed by the Bridging Programme (1994-1996), which strengthened public-sector management capacity; enhanced transparency and accountability in systems of personnel management; conducted a training needs assessment of the public sector; and introduced a management information system. The Bridging Programme also contributed to repatriating and resettling about 26,000 of the target 400,000 Eritrean refugees from the Sudan; facilitated the constitution-making process; strengthened key macroeconomic institutions for economic and financial management; and established the Eritrean Management Institute, which now trains about 70 managers per month.

11. Notwithstanding specific achievements of the Bridging Programme, UNDP realizes that more can be achieved if greater attention is paid to programme formulation and implementation. For example, while the approval of programmes and commitments of resources for the Bridging Programme were within the acceptable threshold, resource disbursements and programme implementation continue to be well below the threshold of acceptable standards. It is also quite clear that constant dialogue and flexibility have been indispensable strategies in reaching shared visions and goals in the present context of Eritrea, particularly regarding the ways in which UNDP can respond to the needs and priorities of the Government. To this end, UNDP will play an important role in supporting the Government to achieve its outreach objectives at the grass-roots level, which will have an important impact on other development partners in Eritrea. Finally, the commitment of the Government to cooperate fully with UNDP in the formulation and management of future programmes is an important result of past cooperation. In all future programmes, there will be extensive dialogue to ensure agreement on the roles to be played in the partnership by the Government and by UNDP.

III. PROPOSED STRATEGY AND THEMATIC AREAS

12. In line with the development objectives and priorities of the Government, the CCF will focus exclusively on (a) institution-building and (b) the development and capacity-building of human resources for cooperation activities. Specific strategies to be pursued include those described in the following paragraphs:

(a) Gradual shift to the programme approach. So far, both the programme approach and the project approach have been used to respond to pressing needs and priorities of the Government. There has been, however, a large number of projects that have created an administrative burden on the Government and the UNDP country office. Nevertheless, the programme approach has been instrumental in mobilizing resources from other development partners. The strategy is, therefore, to shift towards the programme approach, limiting the use of project approach only to quick impact interventions;

(b) Application of the national execution modality. Within the framework of national execution, the use of national experts will be accorded high priority in programme implementation while the use of foreign experts will be limited to filling the gaps. In pursuing national execution, a realistic assessment of technical capacity will be made with a view to avoiding unnecessary delays in programme implementation. Beneficiary institutions will be acquainted with the national execution modality through workshops prior to the commencement of programme implementation;

(c) Promotion of people's participation. While UNDP continues to strengthen Government institutions both at the central and regional levels, there will also be downstream interventions through the establishment and training of village/community committees and sectoral task forces in support of grass-roots participation at the local level. Such interventions will be geared towards the creation of self-employment and the implementation of innovative income-generating pilot schemes for economic empowerment and the facilitation of sound management of natural resources and the environment;

(d) Making full use of the UNDP comparative advantages. In addition to the traditional comparative advantages of neutrality, impartiality and universality of UNDP, its association and familiarity with the vision, goals and priority development efforts of Eritrea places it in a more advantageous position to respond effectively to the country's technical cooperation needs. Accordingly, every effort will be continued to derive maximum benefit from the comparative advantages of UNDP. In this regard, the possibilities of using the various funding windows and technical cooperation instruments relevant to the country will be investigated and pursued with vigour;

(e) Support for global compacts. Following dialogue with the Government, UNDP and other United Nations development agencies will cooperate with the Government in the translation of international compacts into concrete national policies and programmes. To this end, the country strategy note, which has already been initiated, will undoubtedly strengthen the support of UNDP and other United Nations agencies to Eritrea's development efforts.

13. In addressing the development and capacity-building of human resources and institution-building, the two main pillars of the CCF, the thematic areas of focus will be (a) governance/democratization; (b) area-based development and decentralization; (c) natural resources and environmental management; and (d) gender in development (GID). This configuration creates an enabling environment within which the objectives of poverty eradication; creation of employment opportunities and sustainable livelihoods; the advancement of the most vulnerable groups (including women); and protection and regeneration of the

environment can be targeted. Although GID features in the other areas of concentration, it is the subject of a specific affirmative-action programme. The thematic areas of concentration are described below.

A. Governance and democratization

14. Objective. The overall objective of establishing good governance and democratization of the development process is to create responsive, participatory and accountable citizens in Eritrea by giving them the political power to determine representation at all levels of government and economic activity. The focus under governance will be: understanding the provisions of the constitution; promoting the democratization process and participatory development approaches; increasing awareness of the legal framework, including individual and institutional rights and privileges, and more importantly, the obligations of civil society in upholding human rights; empowerment of various groups at the grass-roots level through the development and capacity-building of human resources for economic improvement; facilitating sound public sector management by improving the efficiency and productivity of the civil service at the central and regional levels in order to strengthen their support to grassroots level activities.

15. Situation. The pursuit of the overall operational development objectives is justified by the current situation in Eritrea. The benchmarks on the basis of which the impact of the proposed programmes can be measured are derived from the analysis contained in chapter I above. Some of the main issues to be addressed include the inadequacy of a national legal framework for defining and protecting human rights; the use of foreign legal texts, which conflict with local customs; little knowledge of the legal system by communities; and inadequately trained staff for the administration of justice at regional and local levels. There is a need for a legal framework for social and economic development: an enabling economic environment needs to be created to encourage ownership of assets, entrepreneurship, development of local skills and free participation in economic activities.

16. Activities envisaged. The draft constitution is currently being reviewed by the population. UNDP and other partners will continue to support Government activities aimed at enhancing the participatory process started in the preparation of the draft. Accordingly, the activities to be undertaken include: strengthening ministerial capacity (e.g. of the Ministries of Justice, Local Government, Agriculture, Construction, Industry, Rural Water Supply) to formulate decentralization strategies and plans for local-level development; conducting regional, district, town and village meetings and rallies on the provisions of the constitution; reproduction and distribution of all legal documents on good governance and democratization; conducting training courses on the legal rights and privileges of individuals and their obligations under the constitution; training of village elders/judges, administrators of justice and others concerned with justice; assisting in establishing lines of communications between the central government functionaries and civil society; and assisting in developing relevant training materials.

17. Potential development partners. Multilateral and bilateral development partners currently participating in the governance and democratization process are expected to continue to be active. These include: UNDP, the International Development Association, the United Nations Children's Fund; Canada, Germany, Italy, Netherlands, Norway, Sweden, United Kingdom and United States. International non-governmental organizations with ongoing programmes include ACORD, Lutheran World Federation, OXFAM-UK and OXFAM-Canada. Their continued involvement will depend on the results of discussions with the Government on the roles to be played.

18. Results expected. The expected results are: National Constitution prepared, debated and adopted; legal texts adopted to enhance rights, privileges and obligations; village elders/judges and other administrators of justice trained; capacities of concerned ministries to devolve powers and responsibilities to the regions and local communities developed and strengthened; rights and privileges of women and children enhanced; and personnel in government institutions trained.

B. Area-based development and decentralization

19. Objectives. An integrated development programme will be formulated and implemented in selected regions focusing on rehabilitation, resettlement, reintegration and laying a sound foundation for social and economic development on a self-reliant and sustainable basis. The proposed programme will be an integral part of the decentralization programme of the Government. Therefore, the main objective is to support Government efforts aimed at the development and capacity-building of human resources at the local and community level in support of the Government policy of decentralization. Subcomponents of this programme include: improving access to basic social services (primary education, vocational training, primary health care, water and sanitation, basic shelter); promotion of productive employment with special emphasis on self-employment through innovative income-generating activities; support to the Government efforts to establish comprehensive integrated regional development plans and policies focusing on the most vulnerable groups; improving and/or developing monitoring and evaluation systems for area-based programmes and projects; and the facilitation of regional infrastructural development. The objective of decentralization is to facilitate the devolving of various powers, responsibilities and functions to regional and local government functionaries by transferring political, administrative and financial accountability and effectiveness from the central Government.

20. Situation. The existence of poverty, limited opportunities for sustainable livelihoods and the prevalence of vulnerable groups point to the inadequacy of capacities at the national, regional and local levels to plan, formulate and design programmes and projects that address the fundamental and structural causes of poverty and environmental degradation. The rural areas of Eritrea are characterized by: inadequacy or lack of physical infrastructures; lack of strong institutional capacity to provide public services e.g., micro dams, irrigation systems, feeder roads, potable water supply; lack of training and education facilities; low levels of community initiatives and participation in resettlement and development processes; lack of capital and other means of

production; low skill levels. Moreover, vulnerable people have not been classified for strategic targeting and mapping SHD elements, and the rural areas have little or no employment opportunities and income-generating activities.

21. Activities envisaged. Some of the activities include: strengthening of capacity at the ministerial level for formulating strategies for decentralized planning and implementation; supporting the establishment of regional and local community committees and sectoral task forces and designing capacity-building and training modules for them; assisting the Government in training extension workers for redeployment at the regional, local and community levels; and assisting in establishing community-based training and problem-solving teams.

22. Potential development partners. In addition to the partners mentioned under governance and decentralization, the Food and Agriculture Organization of the United Nations, the Office of the United Nations High Commissioner for Refugees, the United Nations Capital Development Fund and the United Nations Population Fund are currently active in this programme area.

23. Results expected. Capacity of ministries at central and regional levels strengthened; strategic planning guidelines produced and distributed to the regions and local communities; regional councils and local committees and sectoral task forces established and functioning with support from trained extension workers and local private fee-charging crews; vulnerable groups identified for poverty mapping for SHD and poverty mapping conducted for SHD; employment and income-generating activities created through programmes developed by ministries of Tourism, Trade, Industry, Agriculture, Construction, Health and Education as well as through credit and production cooperatives.

C. Natural resources and environmental management

24. Objective. One of the major cornerstones for the development of the country is the effective use of its natural resources with sound environmental management systems. Recognizing this, the Government has already formulated policies and strategies and drafted legal framework to arrest the factors affecting the environment. In support of the effort of the Government, the programme component for natural resources and environment management has the objectives of: strengthening institutions, including the training of personnel responsible for the environment at the central, regional and local levels; facilitation of the introduction and dissemination of environmentally sound technologies; promotion of environmental management at the grass-roots level; promotion of soil and water conservation methods, including reforestation; facilitation of the implementation of urban environmental programmes and schemes; and improving environmental (i.e., land and coastal) information management and monitoring systems within the National Environmental Management Plan for Eritrea.

25. Situation. To address poverty eradication and promote social and economic development, land and marine resources need to be properly used and managed. An environmental management system is currently lacking. Land degradation continues unabated; trees are cut and not replaced; soil erosion is common as a

result of overgrazing and crop cultivation practices; the Red Sea is being polluted, thereby adversely affecting bio-diversity.

26. Activities envisaged. To address the above issues, UNDP cooperation assistance will focus on capacity-building and promoting awareness of methods to protect and regenerate the environment. Training will cover staff at the central ministries and in regional and local departments. The outputs of these training activities will become inputs into training activities at the grass-roots level. The introduction of alternative sources of energy, including renewable energy, will be a major activity, to be undertaken with specialized units of UNDP. The bio-diversity programme of the Global Environment Facility will focus on the Red Sea, for which terms of reference for the strategic action programme have been drafted.

27. Potential partners. Potential partners presently include GEF and UNDP. It is hoped that upon completion of the Strategic Action Programme for the Red Sea, more potential partners will be identified. In addition to core resources, other windows such as the Capacity 21, EIS and SDN-P will be utilized to finance some programme component.

28. Results expected. The capacities of the Eritrean Environmental Agency, Ministry of Marine Resources and all other agencies involved in natural resources and the environment will have been strengthened. Awareness of causes of environmental degradation will be enhanced and protective measures including prevention of soil erosion will be undertaken. The National Environmental Management Plan will be implemented.

D. Promoting gender issues

29. Objective. While it is expected that the gender dimension will feature prominently in all programme areas, a separate programme will be developed specifically directed towards the mainstreaming of women in the socio-economic life of the country. The objective of this programme component is to support the ongoing effort in: empowering women economically through the promotion of women's access to productive assets; strengthening the gender-promoting institutions such as the National Union of Eritrean Women and community-based organizations; developing human resources for policy analysis; and monitoring and implementing national programmes on gender issues.

30. Situation. The social and economic rights of women are not commensurate with their contribution to the war of liberation and to the economy. Women are not fully mainstreamed in the socio-economic life of the country. They have little or no access to productive assets and there are no institutions with strong gender-promoting programmes. There are no programmes designed exclusively to promote participatory approaches for women in development.

31. Activities envisaged. The main goal is to formulate a programme to promote the participation of women in selected programmes and to enhance their access to credit and higher positions in public and private sector institutions. Specialized training will be provided to enable women to fill targeted

positions. All women who are heads of households will receive specialized training.

32. Potential development partners. In addition to UNDP, the United States Agency for International Development, Germany, and the Netherlands are expected to participate. It is envisaged that more development partners will become involved as programme formulation and implementation begins.

33. Results expected. A critical mass of women will be trained in various areas of activities with a view to improving their skills. Community-based women's organizations will be established and their capacities strengthened.

IV. MANAGEMENT ARRANGEMENTS

34. National execution will be the main implementation modality. In all cases, the Office of Macro Policy and International Economic Cooperation (MPIEC) of the Office of the President will be the executing agency with the line ministries as the implementing agencies. The Programme Steering Committee, whose membership will include representatives from MPIEC and UNDP as well as concerned development partners or United Nations specialized agencies will have overall responsibility for policy directions, coordination and management; instituting implementation arrangements for each programme; monitoring and evaluation; and reviewing progress reports on programmes.

35. Priority will be given to the effective use of the available national human and institutional capacity for programme delivery. When appropriate and depending on the manner of intervention, subcontractual arrangements will be considered for the implementation of programme components. Capacity assessment of national implementing agencies will be conducted and specific training modules will be developed to acquaint the agencies with the rules and procedures laid down for national execution.

36. Regular monitoring and evaluation will be used as management tools to measure the responsiveness of stakeholders to programme activities and results. Monitoring will be used to provide continuous information on the relevance and effectiveness of programme activities in each thematic area of concentration. The four main instruments to be used for programme monitoring and review are: (a) preparation of a three-year, rolling resource planning framework, which will be used to monitor the use of core resources and progress in the mobilization of non-core resources; (b) a triennial presentation and report, to be submitted to the Programme Management Oversight Committee; (c) extensive use of the Local Programme Appraisal Committee, which will serve as the most important instrument for programme appraisal, monitoring and review; and (d) the establishment of benchmarks for each programme area on the basis of which impact will be measured.

Annex

RESOURCE MOBILIZATION TARGET FOR ERITREA, 1997-1999

Source	Amount (in thousands of United States dollars)	Comments
UNDP Core Funds		
IPF carry-over	6 838	Estimated
TRAC 1.1.1	8 494	Assigned immediately to country
TRAC 1.1.2	0 to 66.7% of TRAC 1.1.1	This range is presented for initial planning purpose only. The actual assignment will depend on the availability of high quality programmes. Any increase in the range of percentages would also be subject to availability of resources.
SPPD/STS	752	
Subtotal	16 084[a]	
UNDP non-core funds		
Government cost-sharing	-	
Sustainable Development Fund	GEF: 5 300 UNSO: 300 CAPACITY 21: 900 SND-P: 112	Estimated
Third-party cost-sharing	3 000	Estimated
Funds, trust funds and others	8 200	Estimated
Subtotal	17 812	
GRAND TOTAL	33 896[a]	

[a] Not inclusive of TRAC 1.1.2, which is allocated regionally for subsequent country application.

Abbreviations: GEF = Global Environment Facility; IPF = indicative planning figure; SND-P = Sustainable Development Network Programme; SPPD = Support for policy and programme development; STS = support for technical services; UNSO = Office to Combat Desertification and Drought.